

RE: DEA 911

From:

"McDonald, Tom" <tom.mcdonald@mckesson.com>

To:

"Russell, Bruce" <bruce.russell@mckesson.com>, "Scofield, Cathy" <catherine.scofield@mckesson.com>

Cc:

"Melton, Jenny" <jenny.melton@mckesson.com>, "Pacheco, Sheila" <sheila.pacheco@mckesson.com>, #PGRDRC <pgrdrc@mckesson.com>

Date:

Thu, 24 Jan 2008 17:43:17 +0000

Attachments:

Controlled Subs filled by Pharma1-24-2008.ppt (223.74 kB)

Attached is a high level PPT that was created last year to describe the controlled substance migration from MMS to Pharma. Please forward questions.
Tom

From: Russell, Bruce

Sent: Wednesday, January 23, 2008 12:58 PM

To: Scofield, Cathy

Cc: McDonald, Tom; Melton, Jenny; Pacheco, Sheila; #PGRDRC

Subject: DEA 911

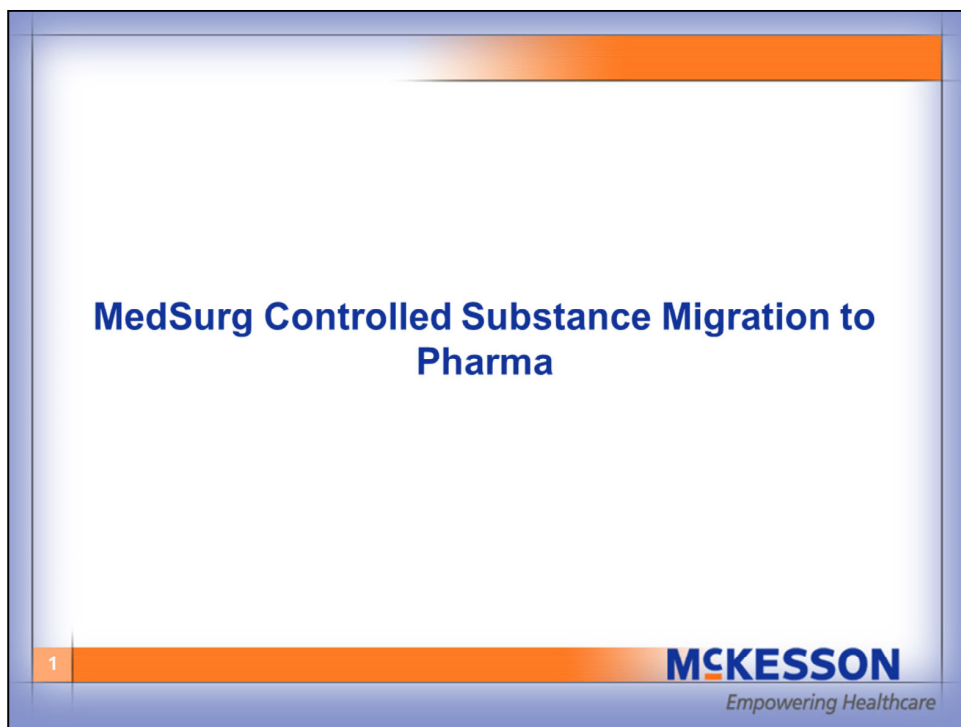
Tom forwarding updated MMS PP as soon as he exits California Board of Pharmacy meeting this afternoon.

Tom, please cc Jenny, Sheila, me and PGRDRC.

Tks

B

PLAINTIFFS TRIAL
EXHIBIT
P-13736a_00001



- 1. Insert your business unit's name in place of "Operating Company" and your name and title in place of "Presenter, Title"**

Overview

- All MedSurg controlled substance orders are filled from two facilities (Grapevine, Ontario).
- DEA is requiring a more stringent review of controlled substance orders and suspicious order and customer identification prior to shipping.
 - Orders must be suspended and investigations of customers must be conducted prior to the suspension being removed.
- Systems and processes are in place to support Florida pedigree
 - Pharma is filling orders for MedSurg in that state.
- Pharma has the solid infrastructure to support the small volume of orders in MedSurg to include a limited number of List I chemicals and state controlled items.
- Maintaining compliance will be more efficient on one platform.

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Requirements

- Collect data on volume by customer and billing DC
- Develop a coverage map to better understand volume by Pharma DC
- Identify the customers and the Pharma facilities that will service them
- Work with IT to streamline the order process through MedSurg
- Understand the baseline cost involved with servicing customers in the current model (Six Sigma)
- Work on timelines and milestones to plan events
 - Tiered rollout plan by coverage area
- Develop training plan for processing on the Pharma side if it is different from the current process.
- Communication plan for MedSurg Sales Team
- Develop a communication plan for Pharma.

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By the Numbers

- MedSurg – 2 facilities servicing for 47 states.
- Pharma – 30 facilities servicing 50 states.
- Daily Controlled Substance Lines:
 - Pharma: 80,707
 - MedSurg: 160
- Average increase to Pharma volume:
 - Less than 10 order lines per day

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Potential Issues

- Suspicious order investigations
- No direct communication with the sales force on potential controlled substance issues
 - CS would be the liaison
- No SMO visibility for MMS sales
- Communication across business unit must improve
- Customer communication and training related to the CII blanks

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Administration

- Communicate the current model to all involved.
- Get input from the Pharma DC Leadership.
- Streamline the current ordering model to allow for an automated pass through from MedSurg to Pharma.
- Test
- Analyze
- Improve
- Roll Out
- Monitor

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Control

- Develop audit criteria
- Continuous Improvement

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Process Steps from the MedSurg Side

- MedSurg order will be placed as usual – Screenflow, STATpc, EDI, Supply Manager.
 - All the controlled substance 2 thru 5 level items will be set up as drop ship only.
 - Schedule 3 thru 5 items will pass through order entry without stopping.
 - Schedule 2 drugs will continue to have a licensing check, but will not go on hold if license is valid.
- Drop Ship Order - Sales Order and Purchase Order will be created.
 - Purchase Order will not go on hold. Status will be set to allow straight pass.
 - Purchase Order will go out via 850 Outbound process – similar to Office Supplies.
 - Pharma will send back 855 transaction.
 - If the 855 from Pharma shows that the line will not be filled, we will look at a couple of different possible processes.
- Pharma will send EDI 810 Inbound transaction to MedSurg – which will receipt the PO and allow the SO to bill customer.

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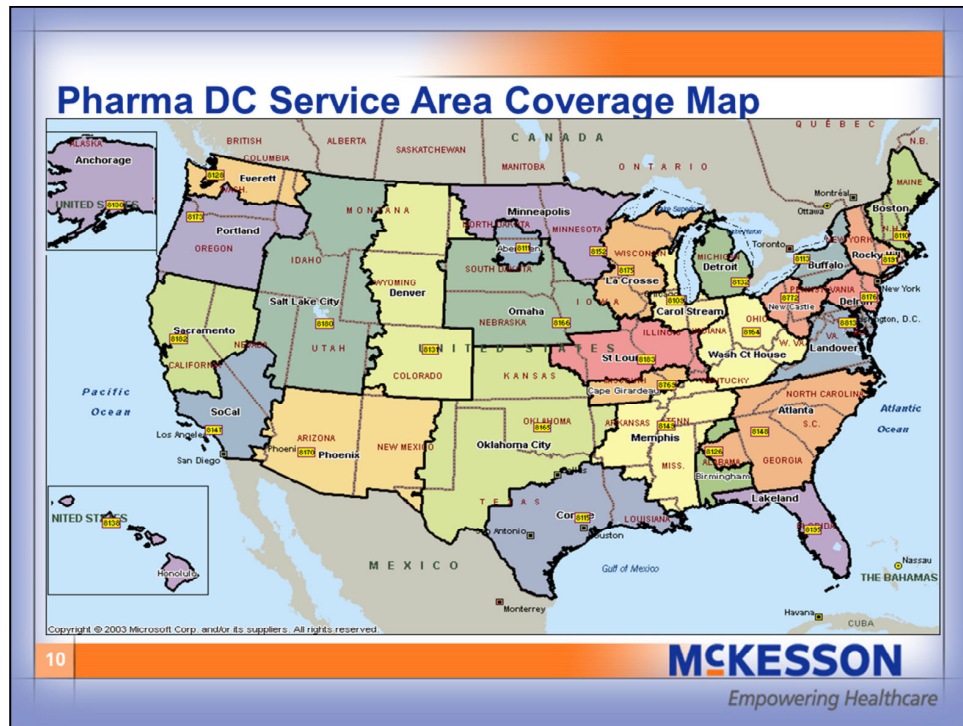
MedSurg Strategy

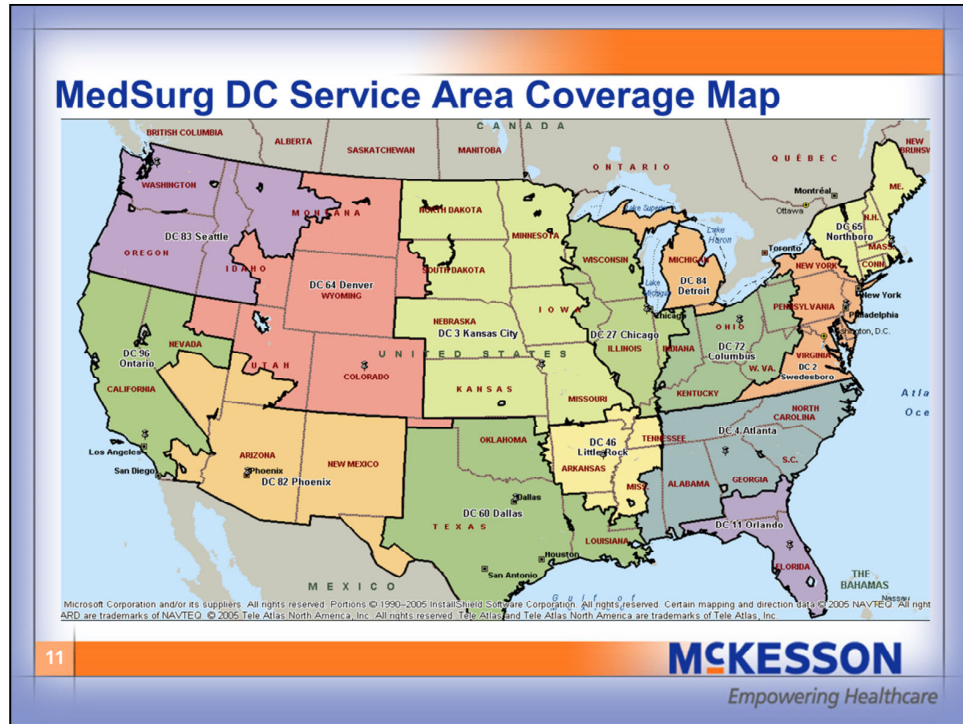
- Phased Rollout by MMS DC
 - Targeting April 2008 tiered roll out (Phases of the rollout TBD)
- For Controlled Substance 2 Items - 222 Form will still be manual
 - The MMS Customer completes 222 triplicate form and mails to Shipping DC for Pharma
- All reporting will be accomplished from Pharma once rollout is complete
- Billing will remain with MedSurg

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MedSurg Controlled Order Volume in Lines

DIST_NO	Annual Total	Monthly Average	Daily Average
Ontario, CA - 96	14515	1209.58	56.26
Grapevine, TX - 60	4475	372.92	17.34
Orlando, FL - 11	3829	319.08	14.84
Swedesboro, NJ - 2	2797	233.08	10.84
Detroit, MI - 84	2835	236.25	10.99
Atlanta, GA - 4	2488	207.33	9.64
Phoenix, AZ - 82	2064	172.00	8.00
Kansas City, MO - 3	1703	141.92	6.60
Seattle, WA - 83	1545	128.75	5.99
Northboro, MA - 65	1547	128.92	6.00
Columbus, OH - 72	1326	110.50	5.14
Denver, CO - 64	878	73.17	3.40
Cheshire, CT - 80 (closed)	786	65.50	3.05
Little Rock, AK - 46	349	29.08	1.35
Chicago, IL - 27	223	18.58	0.86
Charlotte, NC - 14 (closed)	5	0.42	0.02
Grand Total	41365	3447.08	160.33

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